C2175-1A

THE CHRONICLE
of Higher Education®

ISSN 0009-5982

April 24, 1991 • $2.75
Volume XXXVII, Number 32

News Summary

Articles on inside pages

Technical advances have accelerated the rate at which biologists are filling in the map of human genes, researchers say: Page A4.

The U. of South Carolina is struggling with the legacy of its former president, who was recently indicted for tax evasion: Page A13.

His decision to delay recognition of a regional accrediting agency pits those who believe the Education Secretary is protecting academic and religious freedom against those who say accrediting groups should consider issues of diversity: Page A21.

Florida's universities are not happy with the budget cuts they expect from the Legislature this session, but few are complaining: Page A22.

An investigation has sparked fresh criticism of the technology-transfer corporation at Michigan Technological U.: Page A31.

Drug raids at the U. of Virginia have forced it to re-examine its relationship with students: Page A33.

An article that criticized the qualifications of black students has plunged Georgetown U.'s Law Center into an angry debate: Page A33.

The penalty for four athletes involved in a sexual incident at the U. of Arkansas was softened by the system's president: Page A36.

The strife-torn universities of Central America are hoping to help their countries rebuild: Page A37.

SECTION 1	Pages A1-48
Athletics	A36
Books	A10, 19
Business & Philanthropy	A31-32
Coming Events	A42
Computers	A18
Deadlines	A44
Deaths	A42
Fact File	A26
Gazette	A41
Government & Politics	A21-30
Grants	A32
International	A37-39
Personal & Professional	A13-19
Scholarship	A4-12
Students	A33-35
SECTION 2	**Pages B1-48**
Bulletin Board	B6-47
End Paper	B48
Opinion & Letters	B1-4
Special Collection	B5

© 1991 MARK REINSTEIN, FOR THE CHRONICLE

President Proposes Education Reforms

President Bush and Education Secretary Lamar Alexander as they unveiled plans last week for what the President said should be "a populist crusade" to reform American education. See Story on Page A21.

High Court to Rule on Mississippi Plan to End Segregation

Case may shape states' efforts to make up for past discrimination

By SCOTT JASCHIK

WASHINGTON

The Supreme Court has agreed to decide whether civil-rights laws require states that once ran segregated college systems to do anything more than replace discriminatory rules with race-neutral policies.

The case before the Court involves Mississippi, but legal experts said the outcome would be likely to affect all of the Southern and border states that once practiced legal segregation.

At issue is a 1990 ruling by the U.S. Court of Appeals for the Fifth Circuit. That court, in finding that Mississippi's colleges were desegregated, said state officials were "discontinuing prior discriminatory practices and adopting and implementing good-faith, race-neutral policies and procedures."

The U.S. Justice Department and civil-rights groups appealed the decision, saying it conflicted with other federal-court rulings that required states to demonstrate that they had taken specific steps not only to remedy past discrimination but also to promote equal opportunity in higher education.

'Back Into the Jim Crow Days'

Civil-rights lawyers said last week that black students and historically black colleges would be devastated if the Supreme Court upheld the Fifth Circuit decision, giving it nationwide force. If that happened, the lawyers said, state leaders

Continued on Page A28

Quest for Profits May Damage Basic Values of Universities, Harvard's Bok Warns

By LIZ McMILLEN

The commercialization of universities may be the most severe threat facing higher education, Derek Bok said in his final "President's Report" to Harvard University's Board of Overseers.

Warning that "there are no free lunches even for eleemosynary institutions," Mr. Bok said that efforts to turn university activities into revenues could easily distract the institution and force it to sacrifice its most essential values. He cited as a "glaring example" big-time college athletics, where the lure of television revenues has helped to corrupt admission practices and led to embarrassing compromises in academic standards. But Mr. Bok also raised questions about the increasing appetite for profits from scientific discoveries and commercially sponsored courses.

While some money-making activities may benefit universities, the desire for profit can all too easily conflict with academic values, Mr. Bok said. But it is hard for universities to resist lucrative business ventures "especially if rival universities have already exploited them," he said.

As universities become more entrepreneurial, they should be concerned about how their image subtly changes, Mr. Bok said. "They appear less and less as a charitable institution seeking truth and serving students and more and more as a huge commercial operation that differs from corporations only because there are no shareholders and no dividends," he said.

Mr. Bok will step down in June after 20 years in the Harvard presidency. His successor is Neil L. Rudenstine, executive vice-president of the Andrew W. Mellon Foundation.

In each of his annual reports to the overseers, Mr. Bok has commented on a major issue affecting higher education. The report for 1990-91 includes references to several decisions that were controversial during Mr. Bok's tenure, including the university's refusal to sell all of its South Africa–related investments and the 1988 move to establish a fund to invest in profitable discoveries by its professors, a seeming reversal of an earlier policy.

Mr. Bok's report also discusses two oth-

Continued on Page A31

Community Colleges Scramble to Meet Demand for English Classes for Non-Native Speakers

By KATHERINE S. MANGAN

Community colleges across the nation are scrambling to keep up with the growing demand for English classes for non-native speakers, but tight budgets are forcing some to turn students away.

Many community-college administrators believe the federal government should provide more money for English as a Second Language (E.S.L.) programs. They argue that the booming interest is partly the result of federal policies, which are allowing more immigrants to enter the country legally.

"Our colleges get swamped with people wanting to take these classes," says Dale Parnell, president of the American Association of Community and Junior Colleges. "Our colleges want to serve immigrants, but we don't get any help financially."

Language Skills and a Bit of Civics

E.S.L. classes vary considerably from campus to campus, but they generally teach conversational English skills, along with a bit of American civics or history, to non-native citizens or legal aliens. Some courses are intensive, while others meet less regularly to accommodate the schedules of working students. The classes are taught not only at community colleges, but also at junior and four-year institutions, as well as by private and public organizations.

As the demand for E.S.L. classes has swelled in recent years, community colleges appear to have absorbed much of the growth. Neither E.S.L. experts nor administrators of community-college organizations could provide any overall enrollment

Continued on Page A35

Campus Officials Struggle to Explain Indirect Costs

Faced with mounting criticism, university officials are trying to explain what indirect costs are and how the rates are set: Page A21.

MARGINALIA

From our own "Research Notes":

"Mr. Salvi talked about the hearing research with birds at the February meeting of the Association for Research in Otolaryngology."

He talked, they chirped?

■

News story in *The Echo*, a paper at Western Connecticut State University:

"A heated debate was set off at the University Senate meeting . . . when a letter by Delmore Kinney Jr., chairman of admissions, was presented to the Senate with a series of goals that the Individual Admissions Program would meet. The IAP would replace the 17-year-old Basic Studies Program this fall.

"As described by Philip Steinkrauss, students entering the program undergo a five-week acclamation period. . . ."

That ought to get their spirits up.

■

From proposed regulations at California State University:

"The Chancellor shall have the authority to adopt and implement plans and programs supporting nondiscrimination and affirmative action in employment based on sex in the Chancellor's office. The President of each campus shall be responsible for the development and implementation of plans and programs supporting nondiscrimination and affirmative action in employment based on sex at each campus."

No comment.

■

A reader tells us:

"The Caesteker Fine Arts Series at Ripon College would appear to be taking a new direction in its offering of cultural events that is bound to attract a different crowd, if not a larger one. The minutes of the meeting planning for the 1991-92 season read, 'Let's start with an exhibitionist.' "

No comment on *that*, either.

■

From *Campus News* at Case Western Reserve University:

"Building on an old CWRU tradition and strengthening a new one, this spring's Hudson Relay race will be held on campus on Sunday, April 28.

"Citing safety concerns involved with staging the 26-mile relay race from Hudson, the Office of Student Affairs proposed running 26 miles of loops around campus, as occurred for the first time last year. . . .

"A picnic on the squad will follow the event."

Talk about safety concerns!

■

The spring weather stimulates thoughts of summer—and of our traditional Summer Marginalia Contest. We're looking for a theme. Ideas?

—C.G.

In Brief

Protests Over State Cuts Continue in New York

NEW YORK—Student demonstrations and building takeovers continued last week at the City University of New York, affecting more than half of the system's 21 campuses and spreading to a branch of the State University of New York system as well.

Although building occupations at several of the CUNY campuses have been broken up by college security officers or have dissolved on their own, new demonstrations have surfaced nearly every day since the protest began. The students are opposing state budget cuts that would raise tuition and decrease financial aid.

Last week, the protests spread to the State University of New York College at Purchase, where about 20 students occupied an administration building and dozens of others rallied outside to support them, and also to Cornell University.

The protesters' endurance prompted CUNY administrators to take steps aimed at forcing an end to the standoff. Temporary restraining orders have been issued against student protests at two of the colleges and university officials are considering similar actions at other campuses.

In an open letter to the CUNY community, W. Ann Reynolds, chancellor of the system, and James P. Murphy, chairman of its Board of Trustees, pleaded with students to "abandon the illegal occupations."

The university is "obligated to prevent the massive disruption of our educational enterprise," the letter said.

Students Face Discipline in Blackface Incident

FAIRFAX, VA.—Tensions flared between black and white students at George Mason University this month following a fraternity fund-raising event in the student-union building at which a member of the Sigma Chi fraternity appeared in blackface.

The event was part of a "Dress a Sig" competition, in which women from various sororities dressed 18 Sigma Chi members in female clothing. The fraternity members then modeled their outfits on a stage. One of the men involved wore blackface along with a blouse, wig, and a pillow strapped to his body under the back of a skirt.

University administrators said they planned to discipline the fraternity and sorority involved in the incident. They declined to specify what sort of penalties would be levied against the organizations, but said they could range from probation to the loss of university recognition.

The organizations involved probably would have to go through formal training on cultural-diversity issues, said Kenneth E. Bumgarner, assistant vice-president for student services at George Mason.

Members of the Sigma Chi fraternity apologized for the incident at a campus forum last week. The forum was held to allow students who were upset about the incident to talk with the sorority and fraternity members responsible for the event.

Student Killed in Crash Involving State Van

EUGENE, ORE.—A student at the University of Oregon was killed when a van carrying members of a student political group to an anti-nuclear conference and protest slipped off the road in central Nevada.

The person who died, Susan A. Winn, a junior at the university, was one of seven students riding in a van that members of the campus Student Campaign for Disarmament had rented from the state van pool.

Another student, Gabrielle Hubbard, a freshman, was injured in the accident and was in serious but stable condition in a Reno hospital last week.

In response to the accident, John Minnis, a state representative from Portland who is the chairman of the legislature's Joint Ways and Means subcommittee, called for changes in state policies that permitted the van to be used for a political rally. A university spokesman, however, said state law and university policy permitted officially recognized student groups to use vans for events that were consistent with the groups' purposes.

Sorority Pleads Guilty to Charges of Hazing

JACKSONVILLE, ALA.—A Jacksonville State University sorority has pleaded guilty in city court to charges of physically and mentally mistreating six of its pledges.

The Alpha Kappa Alpha sorority and 11 of its 14 members had been charged with the misdemeanor offenses after they turned themselves in to campus and city police. The city court last week dropped the charges against the individuals after the sorority itself pleaded guilty and agreed to pay a $100 fine and $44 in court costs.

Last month, university officials began investigating the alleged hazing incidents in response to several complaints. Bascom Woodward, vice-president for student affairs, would not elaborate on the allegations except to say that the six women had apparently undergone significant mental and physical stress, which the university would not tolerate.

"Hazing is a real concern to

Alumni Shut Down Secret Society at Yale U. Over Attempt to Admit Women

NEW HAVEN

The alumni directors of Skull and Bones, a secret, all-male society at Yale University, changed the locks on the club's meeting place and shut down for a year in a rift with seniors in the society who had decided to admit women as members.

Only 15 seniors at Yale belong to the 159-year-old society, whose members include President Bush and 800 other alumni. The seniors voted unanimously this month to bring in women among the 15 juniors they select for next year's membership.

In a letter to the society's alumni, the seniors said they were not trying to "foment a revolution," but believed the prestige and survival of Skull and Bones depended on its becoming coeducational.

Difficulty in Recruiting

The club has had difficulty recruiting the best students at Yale, the letter said, because "many of the best and the brightest are women." Some men at Yale, it said, refuse to join the club because they view its all-male policy as discriminatory and out-of-step.

Upon learning that the seniors had invited women to join, the eight-member alumni Board of Directors changed the locks on the "Tomb," as the society's campus clubhouse is known.

No Yale students will be admitted to the society in 1991-92 while the board and the rest of the society's members sort out the question of membership for women, according to the Rev. Sidney Lovett, a spokesman for the club's alumni directors and secretary of the Russell Trust Association, the corporate parent of Skull and Bones.

The alumni are "clearly divided" on whether to admit women, Mr. Lovett said in an interview. The board, he added, plans to issue a recommendation on the matter by this summer for consideration by the members.

Mr. Lovett said the seniors "knew the board would not authorize a change until 1993 if a change was to be made at all." The students, he said, took matters into their own hands when they could not get their way.

"The board had to face the issue: Who is in charge?" Mr. Lovett said. The board is responsible for managing the society's assets and traditions, he added.

The alumni board, according to the letter from the seniors, has voted in favor of a coeducational club. But the letter said the board wanted the men to meet separately from the women for the society's most important ritual, when new members share their emotional and life histories. The seniors said that approach would destroy the unity of the club.

Seniors Plan to Proceed

Mr. Lovett disputed that account and said the idea of separate meetings for men and women was "not on the table."

According to one of the seniors, who asked not to be identified, the alumni board is failing to provide leadership on the issue.

The seniors say they are proceeding with their plan to admit women, and hope the new members will be recognized by the alumni board. A ceremony called "Tap Night" was slated to be held last week for the 15 new members, about half of whom are women. A senior who asked to remain anonymous said some alumni members had offered to help pay for a new meeting place, should the board not recognize the new members. He said the seniors are thinking about suing the board. —DENISE K. MAGNER

NEW HAVEN REGISTER

Members of Yale's secret, all-male society, Skull and Bones, meet at a clubhouse called the "Tomb."

The Chronicle of Higher Education (ISSN 0009-5982) is published weekly except the third week in August and the last two weeks in December at 1255 Twenty-Third Street, N.W., Washington, D.C. 20037. Subscription rate: $62.50 per year. Second-class postage paid at Washington, D.C., and at additional mailing offices. Copyright © 1991 by The Chronicle of Higher Education, Inc. Printed in the United States of America. POSTMASTER: Send address changes to The Chronicle of Higher Education, P.O. Box 1955, Marion, Ohio 43305. Member, Audit Bureau of Circulations. The Chronicle reserves the right not to accept an advertiser's order. Only publication of an advertisement shall constitute final acceptance of the advertiser's order.

Government & Politics

Ways & Means

Christopher T. Cross, former Assistant Secretary of Education for educational research and improvement, is apparently out of the running for the position of Assistant Secretary for postsecondary education.

Sources at the Education Department said Mr. Cross was no longer a candidate for the top higher-education post, but was being considered for other positions in the department. Several spots were left open when Mr. Cross and other officials who served under former Secretary Lauro F. Cavazos resigned last month at the request of Secretary Lamar Alexander.

The Bush Administration has closely guarded the names of other candidates for the postsecondary job. Mr. Alexander promised the Senate education subcommittee this month that the person nominated for the job would have experience in higher education.

■

Richard (Digger) Phelps, who resigned last week as basketball coach at the University of Notre Dame, is not expected to become an Education Department employee.

Department officials described as "unfounded" a rumor that had Mr. Phelps accepting a new post related to college athletics.

A department spokeswoman said Secretary Alexander had talked with Mr. Phelps about problems in college sports, but had never made him a job offer.

■

Nearly 17 years after leaving the Senate, J. William Fulbright returned to Capitol Hill last week to promote the educational exchange program that bears his name.

The 86-year-old former Senator from Arkansas spoke with an earnest, folksy charm as he asked lawmakers to increase funds for the Fulbright Program.

"I may be prejudiced, but I think that these exchange programs offer enormous potential in promoting the new manner of thinking we need today," he said.

The former Senator, testifying before a House appropriations subcommittee, emphasized the role of international understanding in avoiding war.

He noted that a close adviser to Soviet President Mikhail S. Gorbachev had been a Fulbright scholar at Columbia University in 1959. At the same time, he said, "the people of Iraq and Kuwait, and, indeed, all the world, have paid and continue to pay a terrible price for the parochialism of Saddam Hussein, a man who has virtually no substantial experience outside of his own country and none at all outside the Arab world."

"I just hope you would feel this program is in the national interest," he said at the end of his testimony.

A fellow Arkansas Democrat and subcommittee member, Rep. Bill Alexander, responded: "Senator, we agree with you 100 per cent."

Bush Proposes 'Populist Crusade' to Reform Education; Colleges Would Help to Develop Schools, Train Adults

Academic officials applaud intent but are dismayed that plan does not suggest increasing student aid

By THOMAS J. DeLOUGHRY

WASHINGTON

President Bush last week unveiled his blueprint for "a populist crusade" to reform American schools.

The proposal, which is largely the work of Education Secretary Lamar Alexander, relies heavily on the involvement of educators, business leaders, and scholars in developing "innovative" schools for the future.

Colleges could play a part in developing such schools, as well as in helping adults update their job skills, Administration officials said. Colleges could also play host to "academies" in which teachers and school administrators would receive additional training.

Democratic lawmakers, whose support is needed to get the plan through Congress, were sharply critical of Mr. Bush's plan. "Our students and workers need better education and training now," said Richard A. Gephardt, the Missouri Democrat who is Majority Leader of the House of Representatives. "By this standard, the President's plan falls short."

'We Must Lead the Way'

The reviews from college officials were more mixed. Many applauded the President for his attention to education, although they were dismayed that the Administration's plan did not suggest any increase in federal aid to help students advance beyond high school.

The President presented his proposal in a White House speech to educators, lawmakers, and business leaders. "If we want America to remain a leader—a force for good in the world—we must lead the way in educational innovation," Mr. Bush said. "The days of the status quo are over."

The plan, which would cost $690-million in fiscal 1992, calls for setting national standards for schoolchildren in English, mathematics, science, history, and geography. The Administration also endorses the development of national tests—to be called the American Achievement Test—to assess students' achievement. Administration officials said colleges should consider students' scores on such tests when evaluating candidates for admission, but the officials suggested that they would not replace existing college-entrance exams.

The White House proposal also restates the Administration's support for the concept of "school choice," which holds that public schools will improve if parents have

Continued on Page A23

Delay in Recognition of Accrediting Agency by Education Dept. Draws Mixed Reaction

By SCOTT JASCHIK

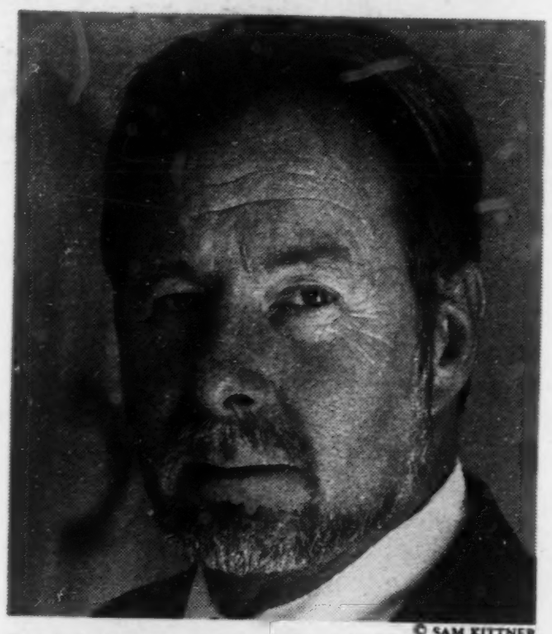
WASHINGTON

Education Secretary Lamar Alexander's decision to delay recognition of a regional accrediting agency pits those who believe the Secretary is safeguarding academic and religious freedom against those who say accrediting agencies have a duty to consider diversity on the nation's campuses.

The agency, the Middle States Association of Colleges and Schools, has been at the center of a growing controversy over whether accrediting teams should evaluate the way colleges recruit and retain minority students and faculty members. Middle States has required such evaluations since 1988, but Secretary Alexander, in delaying recognition of the agency, said he had serious doubts about the practice.

Mr. Alexander's stance has moved the

Continued on Page A24



© SAM KITTNER

Richard C. Kunkel, dean of the College of Education at Auburn U.: "The issue of diversity is not appropriate in regional accreditation."

VARIETY OF ACCOUNTING METHODS

Colleges Struggle to Answer Tough Questions About Rates for the Overhead Costs of Government-Sponsored Research

By COLLEEN CORDES

Why does the government set a rate of 74 per cent for reimbursing Columbia University for the overhead costs of federally sponsored research but pay the University of Dayton at a rate of only 43 per cent? What, really, does a 74-per-cent rate mean?

The rates that 100 universities charge the government for overhead costs appear in a Fact File on Page A26.

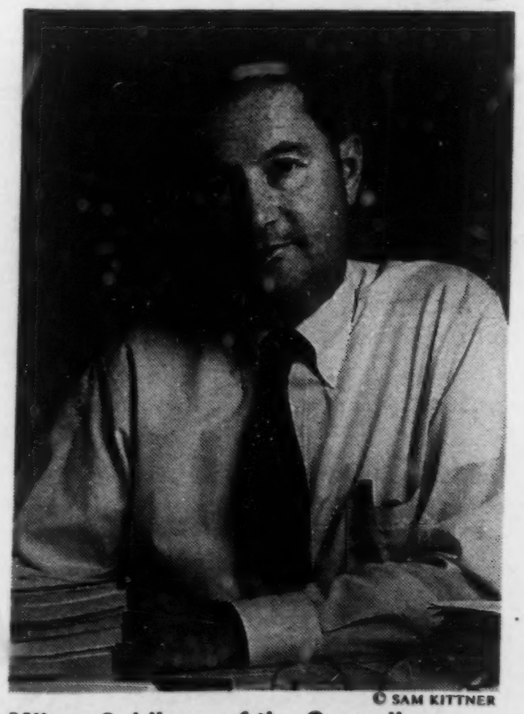
As news reports continue to describe questionable charges for overhead costs, academic officials are struggling to answer such questions in a way that the public can understand. Often the officials have to explain the rates—which are based on complicated accounting formulas—to reporters, alumni, trustees, and state legislators, as well.

Indirect-cost rates help determine how much money the federal government will pay to universities to help cover the expenses they incur in providing facilities and services that benefit researchers but that cannot be directly associated with particular federally sponsored research projects. Such expenses include utilities, libraries, and administration.

A rate of 65 per cent means that for every dollar the university receives for the direct cost of a specific research project, the institution can get up to 65 cents for overhead expenses. In many cases, however, universities do not receive as much in overhead reimbursements for particular projects as their rates would indicate.

Among the many factors that influence an institution's rate are its accounting system, its location, whether it is public or private, whether it seeks Congressional earmarks for academic

Continued on Page A26



© SAM KITTNER

Milton Goldberg of the Council on Governmental Relations: "The problem is there are just no data to deal with this stuff."

FACT FILE: Indirect-Cost Rates at 100 Institutions

Percentages determine top amounts universities can charge U.S. for research overhead

Harvard Medical School	77%
Columbia U.*	74
Stanford U.*	74
Boston U.	73
Yeshiva U.	71
Cornell U. endowed units*	70
Harvard U.	69
Brown U.*	68
Rockefeller U.	68
Yale U.	68
Princeton U.	67
Tufts U.	67
Johns Hopkins U.	65
U. of Chicago	65
U. of Massachusetts Medical School	65
U. of Pennsylvania	65
New York U. Medical Center	64
Rutgers U.	64
U. of Medicine and Dentistry of New Jersey	64
Vanderbilt U.	64
Massachusetts Institute of Technology*	62
Mt. Sinai School of Medicine	62
Syracuse U.	62
Washington U.	62
Temple U.	61
U. of Southern California	61
Georgetown U.	59
U. of Connecticut	59
U. of Michigan	59
California Institute of Technology*	58
New Mexico State U.*	58
Carnegie Mellon U.*	57
Cornell U. statutory units*	57
U. of Rochester*	57
U. of Illinois at Chicago*	56
Dartmouth College	55
Harvard School of Public Health	54
Georgia Institute of Technology*	54
Tulane U. Medical School	54
U. of Cincinnati	54
U. of Miami Medical School	54
State U. of New York at Buffalo	53
U. of Vermont	53
U. of Virginia	53
U. of Washington	53
Emory U.	52
Northwestern U.	52
State U. of New York at Stony Brook	52
U. of Illinois at Urbana-Champaign*	52
U. of Maryland at Baltimore	52
U. of Massachusetts at Amherst	52
Virginia Commonwealth U.	52
Case Western Reserve U.	51
New York U.	51
Wayne State U.	51
Cornell U. medical school*	50%
Duke U.	50
Virginia Polytechnic Institute and State U.	50
Indiana U.	49
Purdue U.	49
U. of Arizona	49
U. of California at Berkeley	49
U. of California at San Diego	49
U. of Kentucky	49
U. of New Mexico	49
Florida State U.	48
George Washington U.	48
North Carolina State U.	48
U. of California at Irvine	48
U. of California at Los Angeles	48
U. of Kansas Medical Center	48
U. of Texas Health Science Center at Houston	48
U. of Utah	48
Ohio State U.	47
U. of Georgia	47
U. of Texas at Austin	47
Baylor C. of Medicine	46
U. of California at Santa Barbara	46
U. of Maryland at College Park	46
Colorado State U.	45
Louisiana State U.	45
Michigan State U.	45
U. of Florida	45
U. of Kansas	45
U. of North Carolina at Chapel Hill	45
U. of Texas M.D. Anderson Cancer Center	45
U. of Texas Health Science Center at San Antonio	45
U. of Texas Southwest Medical Center at Dallas	45
Wake Forest U. School of Medicine	44
Pennsylvania State U.*	44
U. of Hawaii at Manoa*	44
U. of Minnesota	44
U. of Texas Medical Branch at Galveston	44
U. of Wisconsin at Madison	44
Oregon Health Sciences U.	43
Texas A&M U.	43
U. of Dayton*	43
U. of Pittsburgh	43
U. of Alabama at Birmingham	42
U. of Colorado	42
U. of Iowa	42
U. of California at Davis	41
Iowa State U.	40
U. of California at San Francisco	39
Oregon State U.	38
U. of Missouri at Columbia	38
Utah State U.	37

Notes: Universities with an asterisk have their indirect rates set by the Office of Naval Research; other institutions have their rates set by the Department of Health and Human Services, except Princeton University, whose rate is set by the Department of Energy. Rates from O.N.R. were in use on January 5, 1991, while rates from H.H.S. were in use on November 6, 1990. In a few cases, institutions that are currently negotiating new rates may now be using temporary rates. The list covers the 100 leading universities in federal research-and-development funds in 1989, according to the National Science Foundation. In some cases, different units of an institution have different rates. The rates for off-campus units, for special laboratories, and for units receiving small amounts of federal support are not generally included above.

SOURCES: CHRONICLE REPORTING, THE OFFICE OF NAVAL RESEARCH, AND THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

U.S. Official Proposes Ways to Limit Indirect-Cost Payments

WASHINGTON

The Inspector General of the Department of Health and Human Services has proposed a number of options for controlling federal payments for the overhead costs of research. One approach would limit overhead rates to 50 per cent of the direct costs for federally sponsored research; another would require individual researchers to negotiate overhead rates for their grants with their institutions.

Meanwhile a House of Representatives committee is preparing for hearings this week on approaches the Administration or Congress could take to prevent abuses in the indirect-cost system.

Richard P. Kusserow, the H.H.S. Inspector General, discussed his list of options at a House hearing last week on the reauthorization of the National Institutes of Health. The following were other options he said might be considered:

- Giving a university a block grant for research projects and letting institutions decide what part of the grant to use for overhead costs.
- Setting the federal overhead rate at the lowest level that a university charges to American or foreign businesses or foundations.
- Eliminating government-wide rules and instead allowing research agencies to negotiate separate overhead rates for their grant programs, discipline by discipline.
- Paying universities for only those overhead costs that can be demonstrated to be the extra costs they incur for the federal research awards they win.
- Requiring standardized accounting systems at major research institutions.

This week's hearing, which will take place before the Subcommittee on Science, is expected to focus on what Rep. Rick Boucher characterized as longstanding "inattention" to the indirect-cost issue by the Bush Administration and especially by the White House Office of Management and Budget.

Mr. Boucher, a Virginia Democrat who is chairman of the subcommittee, said last week that many of the abuses in the indirect-cost system stemmed from O.M.B.'s failure to give "clear direction to universities." He said the O.M.B. directive that governs how indirect costs can be collected by universities is "vague" and outdated.

"Universities have been telling O.M.B. for the last five years that the circular needs to be revised," said Representative Boucher.

He said Congress might take action of its own if O.M.B. did not cooperate in fixing the system. "I do not think O.M.B has any sacred writ" over indirect costs, he added.

—GOLDIE BLUMENSTYK AND COLLEEN CORDES

Colleges Attempt to Answer Questions About Rates They Charge for Research

Continued From Page A21

facilities, and which government agency negotiates the rate with the university.

The average of the rates for on-campus research at the top 100 institutions receiving federal research support is 53 per cent, with the range running from the Harvard Medical School's 77 per cent—its last permanent rate—to Utah State University's 37 per cent. The Harvard Medical School is currently negotiating a new rate, and for the time being it is operating with a temporary rate of 88 per cent, although the government has called for lowering the temporary rate to 65 per cent.

In analyzing universities' rates, most experts agree that differences among institutions' overhead charges do not necessarily reflect differences in how efficiently universities spend research money.

"You can't just look at two numbers and leap to that conclusion," says an official at the Department of Health and Human Services, who asked not to be identified. "The higher rate may or may not indicate some inefficiencies, but you don't know that just from looking at the rates."

"The problem is, there are just no data to deal with this stuff," says Milton Goldberg, executive director of the Council on Governmental Relations. "Most of what we all seem to hold is conventional wisdom."

Explaining why Columbia and the University of Dayton have different rates would require careful analyses of their actual costs and accounting systems, and of how aggressive—and successful—each was in trying to recover money from the government for the overhead costs of research.

Congress and federal agencies are now investigating whether university overhead rates are artificially high because of improper charges by institutions. But experts generally agree that much of the variation in rates can be explained by legitimate differences that affect each institution's costs, such as the age and condition of its research facilities and whether utility bills and the cost of living are high or low in its area.

For example, 6 of the 10 highest indirect-cost rates for on-campus research at major research universities are for institutions in New York City and metropolitan Boston. Utility bills and construction costs are high in both areas.

Costs of Depreciation

The expense that university officials say is driving up overhead costs most dramatically—and that they say will continue to do so—is the cost of updating and expanding research facilities. The government allows universities to collect overhead based on costs for the depreciation, interest, and operation of research facilities. Because so many institutions have large backlogs of construction projects, overhead costs will continue to rise as universities build and renovate.

Boston University, for example, has spent more than $150-million in the last 12 years updating its research buildings. That's one reason why it now has one of the highest overhead rates in the country, 73 per cent, says Jon Westling, its executive vice-president.

Several institutions with low rates, on the other hand, say a significant reason is that they have aging, crowded research facilities.

"To the extent our rate is as low as it should be, that's an unfortunate statement about the state of our research facilities," says John McCormick, associate vice-provost for research at the University of Missouri at Columbia.

Ironically, universities that seek money for new buildings directly from Congress have lower overhead rates than they would otherwise, since the institutions cannot seek overhead reimbursements for buildings the taxpayers have already paid for. Critics deride the direct Congressional appropriations as "pork-barrel science."

"The higher rate may or may not indicate some inefficiencies, but you don't know that just from looking at the rates."

One reason why Iowa State University's rate is relatively low is that it has been particularly successful in winning direct Congressional appropriations, says Richard E. Hasbrook, the contracts and grants officer there.

Mr. Hasbrook, like officials at several other institutions with low rates, also cites his university's "concerted efforts to minimize administrative costs." In particular, he says, Iowa State makes do with fewer administrators than other institutions of its size.

Another explanation for the range of rates, university officials say, is the variety of accounting methods the government allows institutions to use. The method a given university uses may reflect a particular institutional philosophy or how sophisticated the institution's accounting systems are.

Under federal rules, for example, a university can categorize as a direct cost any expense that it can associate with a particular research project. The expense is then billed to that research project. But what gets billed as a direct cost and what gets lumped in the indirect-cost category vary from university to university—depending on how highly computerized the institution's accounting system is, for instance, or on how much emphasis administrators at the institution put on charging research expenses to the projects that generate them.

Charging more expenses as direct costs tends to lower an institution's overhead rate, leading many observers to assume that the university's administrators run a less-expensive operation than do their counterparts with higher rates.

At Utah State, officials say their

low rate reflects their attempt to decentralize research administration as much as possible, creating a less bureaucratic environment. More than at other institutions, individual researchers at Utah State are responsible for keeping financial records about their grants. They must pay for doing so with the money they receive for the direct costs of their research. That reduces the amount of money Utah State receives in the form of overhead payments—although not necessarily its total federal research support.

A 13-Point Difference

Some officials suggest that another reason Utah State has a low rate is that it is a public institution. Such universities generally have lower rates than private institutions. For the 100 universities that receive the most federal research money, the average rate for major on-campus research units is about 61 per cent at private institutions, while at public institutions it is about 48 per cent.

Many university officials say private institutions tend to have higher rates because no state government supports their research activities. "If you look at independent concerns, they have to recover their costs to stay in business," says Thomas Pederson, assistant director of business affairs for Oregon State University.

On the other hand, some state institutions have to return the overhead they collect to the state's coffers. Others operate under the assumption that if they increase the amount of overhead they collect from the federal government, their state appropriations will be lowered accordingly.

Some university officials also suggest that state laws and local public opinion force public institutions to adopt a more frugal style of spending than some private institutions may choose.

Private universities, for example, may justify spending their own money on expensive furnishings for presidents' homes as a way of adding to their aura of prestige and prosperity, which in turn may help attract students, talented researchers, and donors. But recent embarrassing revelations about Stanford University's having passed portions of such costs on to the federal government have raised new questions about whether collecting overhead reimbursements for such expenses is reasonable or legal.

HHS vs. ONR

What might impress visitors at a private institution might outrage them, as taxpayers, at a public institution.

In any discussion of overhead rates, many academic officials mention the widely held view that the Department of Health and Human Services drives a much tougher bargain than does the Office of Naval Research. The two agencies set almost all universities' rates.

"From what I understand from the scuttlebutt, O.N.R. is much easier to deal with than H.H.S.," says Oregon State's Mr. Pederson, whose institution negotiates rates with H.H.S. At major on-campus units of institutions among the top 100 in federal research support, the average rate set by H.H.S. is 51 per cent, while the average rate set by O.N.R. is 58 per cent.

O.N.R. officials say they have been diligent in negotiating low rates. But when audits at three O.N.R. institutions all found improper charges—at the California Institute of Technology, the Massachusetts Institute of Technology, and Stanford—O.N.R. announced that it would review the accounts of all its institutions.

Higher-education officials emphasize that institutions generally receive less—sometimes considerably less—federal money in overhead payments than their rates would suggest. Differences between official rates and the actual overall rates of payment reflect, in large part, federal rules that prohibit overhead payments for the purchase of equipment that costs more than $500 and the cost of a subcontract above $25,000.

"To us, it's not important what your rate is," says Fred H. Bailey, controller at the University of Washington. "It's how many dollars you recover."

But the H.H.S. official who asked not to be identified argues that the rates are important. The direct costs that are excluded from overhead calculations are excluded because they are not expected to generate overhead expenses, he says.

"The rate itself," the H.H.S. official says, "is a fair expression of the relationship between the overhead costs of research and the normal, direct operating costs of research at the institution. That's what you're trying to get at." ■

M.I.T. Unit Said to Have Charged U.S. for Its Ex-Director's Legal Expenses

WASHINGTON

Congressional aides said last week that they had learned that the Whitehead Institute for Biomedical Research had improperly charged the federal government more than $68,000 to cover the legal expenses of the institute's former director, David Baltimore.

The institute, which is affiliated with the Massachusetts Institute of Technology, included the money in charges to the government for the overhead costs associated with federal research.

Mr. Baltimore, who is now president of Rockefeller University, has been embroiled in a controversy over the accuracy of a research paper written by a team he headed. Last month he asked that the paper, which was the subject of a Congressional inquiry, be withdrawn.

In a prepared statement, the Whitehead Institute said it had reimbursed the government this month for the charges, which were made in 1988. The statement added that the institute was reviewing its policies on overhead costs to insure "complete compliance with the letter and spirit of government regulations." —S.J.

WE HAVE A LOT TO OFFER IN EVERY DEPARTMENT.

When it comes to unlocking the research needs of your department, Dialog® is the key. Because Dialog makes it easy to access essential information on virtually any subject in a matter of minutes—all with just a few keystrokes on your computer.

Dialog delivers the world's most comprehensive range of products and services for all your academic research. In fact, no electronic information service has more sources dedicated to science, technology, business, news, humanities and the arts.

So whether you're choosing from our nearly 400 online databases, our constantly growing selection of CD-ROM products, or our low cost after-hours service, you'll be discovering information that just can't be found without Dialog.

And having been an integral part of America's leading college and university programs since 1972, no other information service is better qualified to become a part of your classroom curriculum. To see how easy it is to use Dialog in your department—or your entire school—call 1-800-3-DIALOG for our free preview materials.

We'll make sure they get right to your door.

DIALOG INFORMATION SERVICES, INC
A Knight-Ridder Company
Bringing you the world's knowledge.

©Dialog Information Services, Inc. 3460 Hillview Avenue, Palo Alto, CA 94304. All rights reserved. Dialog is a servicemark of Dialog Information Services, Inc. Registered U.S. Patent and Trademark Office.